

ORIGINAL

OPEN MEETING ITEM

10/16-17/13



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COMMISSIONERS
BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH



JODI JERICH
EXECUTIVE DIRECTOR

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ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Bob Stump, Chairman
Gary Pierce
Brenda Burns
Bob Burns
Susan Bitter Smith

Arizona Corporation Commission

DOCKETED

OCT 02 2013

DOCKETED BY

FROM: Matthew J. Neubert
Director of Securities

DATE: October 2, 2013

RE: Order to Cease and Desist, for Restitution, for Administrative Penalties and Consent to Same By: Respondent Brian N. Buckley and Respondent Cheryl Barrett Buckley
Docket No. S-20867A-12-0459

CC: Jodi Jerich, Executive Director

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AZ CORP COMMISSION
DOCKET CONTROL

Attached is a proposed Order to Cease and Desist, for Restitution, for Administrative Penalties and Consent to Same By: Respondent Brian N. Buckley and Respondent Cheryl Barrett Buckley ("Order"). Cheryl Barrett Buckley was joined pursuant to A.R.S. § 44-2031(C) solely for the purposes of determining the liability of the marital community. The Order requires Brian N. Buckley to cease and desist from violating the Securities Act. The Order further requires Brian N. Buckley to pay restitution in the amount of \$160,000.00 and an administrative penalty in the amount of \$15,000.00.

The Order finds that during various periods between February 2007 and November 2012, Brian N. Buckley offered and sold note investments issued by Tri-Core Mexico Land Development, LLC, Tri-Core Companies, LLC, ERC Compactors, LLC, & C&D Construction Services, Inc. Brian N. Buckley received compensation for the sale of the note investments for investments sold within or from Arizona. Brian N. Buckley was not registered as securities salesman or dealer, nor have the investments he offered and sold been registered with the Commission.

The Order finds that Brian N. Buckley violated A.R.S. §§ 44-1841 and 44-1842 by selling unregistered securities while being unregistered. In addition, the Order finds that Brian N.

Buckley violated A.R.S. §44-1991(A) by, *inter alia*, representing that various investments would be securitized, but providing no mechanism to secure the investments; failing to disclose that a manager of the Tri-Core Mexico Land Development, LLC offering had outstanding tax liens; and representing that certain offerings would be sold by “registered brokers or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company”, and “qualified licensed personnel, pursuant to State and Federal security rules and regulations”, when the salesmen did not fall under these categories.

The Division believes that the Order is appropriate to protect the public welfare.

This matter is still pending regarding Respondents Tri-Core Companies, LLC, Tri-Core Business Development, LLC, ERC Compactors, LLC, ERC Investments, LLC, C&D Construction Services, Inc., Jason Todd Mogler, and Nicole Kordosky.

Originator: Stacy Luedtke

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 BOB STUMP, Chairman
4 GARY PIERCE
5 BRENDA BURNS
6 BOB BURNS
7 SUSAN BITTER SMITH

7 In the matter of:)

DOCKET NO. S-20867A-12-0459

8 TRI-CORE COMPANIES, LLC, an Arizona)
9 limited liability company,)

DECISION NO. _____

10 TRI-CORE MEXICO LAND)
11 DEVELOPMENT, LLC, an Arizona limited)
12 liability company,)

**ORDER TO CEASE AND DESIST, FOR
RESTITUTION, FOR ADMINISTRATIVE
PENALTIES AND CONSENT TO SAME
BY: RESPONDENT BRIAN N. BUCKLEY
AND RESPONDENT CHERYL BARRETT
BUCKLEY**

13 TRI-CORE BUSINESS DEVELOPMENT,)
14 LLC, an Arizona limited liability company,)

15 ERC COMPACTORS, LLC, an Arizona)
16 limited liability company,)

17 ERC INVESTMENTS, LLC, an Arizona)
18 limited liability company,)

19 C&D CONSTRUCTION SERVICES, INC.,)
20 a Nevada corporation;)

21 PANGAEA INVESTMENT GROUP, LLC,)
22 an Arizona limited liability company, d/b/a)
23 Arizona Investment Center,)

24 JASON TODD MOGLER, an Arizona)
25 resident,)

26 BRIAN N. BUCKLEY and CHERYL)
BARRETT BUCKLEY, husband and wife,)

CASIMER POLANCHEK, an Arizona)
resident,)

NICOLE KORDOSKY, an Arizona)
resident,)

Respondents.)

1 Respondents Brian N. Buckley and Cheryl Barrett Buckley (“Respondents”) elect to
2 permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act
3 of Arizona, A.R.S. § 44-1801 *et seq.* (“Securities Act”) with respect to this Order To Cease And
4 Desist, For Restitution, and For Administrative Penalties (“Order”). Respondents admit the
5 jurisdiction of the Arizona Corporation Commission (“Commission”); neither admit nor deny the
6 Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this
7 Order by the Commission.

8 **I.**

9 **FINDINGS OF FACT**

10 1. TRI-CORE COMPANIES, LLC (“Tri-Core”), has been at all relevant times a
11 limited liability company organized under the laws of the state of Arizona in August 2007. At all
12 relevant times, Tri-Core’s business office was located at 8840 E. Chaparral Rd., #150, Scottsdale,
13 Arizona. As of October 2007, Tri-Core was a manager-managed LLC. Tri-Core has not been
14 registered by the Commission as a securities salesman or dealer.

15 2. TRI-CORE MEXICO LAND DEVELOPMENT, LLC (“Tri-Core Mexico”), has
16 been at all relevant times a limited liability company organized under the laws of the state of
17 Arizona in May 2007. At all relevant times, Tri-Core Mexico’s business office was located at 8840
18 E. Chaparral Rd., #150, Scottsdale, Arizona. Tri-Core Mexico has not been registered by the
19 Commission as a securities salesman or dealer.

20 3. TRI-CORE BUSINESS DEVELOPMENT, LLC (“Tri-Core BD”), has been at all
21 relevant times a limited liability company organized under the laws of the state of Arizona in
22 January 2006. At all relevant times, Tri-Core BD’s business office was located at 8840 E.
23 Chaparral Rd., #150, Scottsdale, Arizona. Tri-Core BD has not been registered by the Commission
24 as a securities salesman or dealer.

25 4. ERC COMPACTORS, LLC (“ERC Compactors”), has been at all relevant times a
26 limited liability company organized under the laws of the state of Arizona in August 2011. At all

1 relevant times, ERC Compactor's business office was located at 8800 E. Chaparral Rd., #270,
2 Scottsdale, Arizona. At all relevant times, ERC Compactors has been a manager-managed LLC.
3 ERC Compactors has not been registered by the Commission as a securities salesman or dealer.

4 5. ERC INVESTMENTS, LLC ("ERC Investments"), has been at all relevant times a
5 limited liability company organized under the laws of the state of Arizona in April 2011. At all
6 relevant times, ERC Investment's business office was located at 8800 E. Chaparral Rd., #270,
7 Scottsdale, Arizona. ERC Investments has not been registered by the Commission as a securities
8 salesman or dealer.

9 6. C&D CONSTRUCTION SERVICES, INC. ("C&D"), has been at all relevant times
10 a Nevada corporation organized under the laws of the state of Nevada in April 2000. C&D has not
11 been registered by the Commission as a securities salesman or dealer.

12 7. PANGAEA INVESTMENT GROUP, LLC ("Pangaea"), has been at all relevant
13 times a limited liability company organized under the laws of the state of Arizona in August 2009.
14 Since December 2009, Pangaea has been the registered with the Arizona Secretary of State as the
15 owner of the trade name "Arizona Investment Center" ("AIC") and has been doing business under
16 that name. Pangaea and AIC have not been registered by the Commission as a securities salesman
17 or dealer. Hereafter, Pangaea is collectively referenced with AIC.

18 8. JASON TODD MOGLER ("Mogler"), has been at all relevant times a resident of
19 the state of Arizona. At all relevant times, Mogler has been the manager of Tri-Core, Tri-Core BD,
20 ERC Compactors, and ERC Investments. Mogler has not been registered by the Commission as a
21 securities salesman or dealer.

22 9. BRIAN BUCKLEY ("Buckley"), has been at all relevant times a married man and
23 resident of the state of Arizona. Buckley has not been registered by the Commission as a securities
24 salesman or dealer.

25
26

1 10. CASIMER POLANCHEK (“Polanchek”), has been at all relevant times a resident of
2 the state of Arizona. At all relevant times, Polanchek has been the manager of AIC. Polanchek has
3 not been registered by the Commission as a securities salesman or dealer.

4 11. NICOLE KORDOSKY (“Kordosky”), has been at all relevant times a resident of the
5 state of Arizona. Kordosky has not been registered by the Commission as a securities salesman or
6 dealer.

7 12. Tri-Core, Tri-Core Mexico, Tri-Core BD, ERC Compactors, ERC Investments,
8 C&D, AIC, Mogler, Buckley, Polanchek, and Kordosky may be referred to collectively as
9 “Respondents”.

10 13. CHERYL BARRETT BUCKLEY (“Respondent Spouse”) has been at all relevant
11 times the spouse of Respondent Buckley. Respondent Spouse is joined in this action under A.R.S.
12 § 44-2031(C) solely for purposes of determining the liability of the marital community.

13 14. At all relevant times, Respondent Buckley has been acting for his own benefit and
14 for the benefit or in furtherance of the marital community.

15 15. From at least February 2010 until at least August 2011, Mogler participated as a host
16 on a publicly broadcast radio program in Arizona called “The Investment Roadshow”. AIC was
17 stated as the sponsor of the programs. Buckley also participated as a presenter.

18 16. As part of The Investment Roadshow, Mogler discussed various investment
19 opportunities, including investments in ERC and Tri-Core Companies, described as “alternative
20 investments,” and urged offerees to contact AIC, Buckley, or visit
21 www.arizonainvestmentcenter.com (“AIC website”) to learn about specific investments offered.
22 Mogler, Buckley, and Polanchek also urged offerees to participate in seminars and webinars on the
23 alternative investments by contacting AIC.

24 17. Polanchek participated as a host or presenter on The Investment Roadshow on
25 several occasions in 2011. Buckley participated as a representative of AIC and Tri-Core on The
26 Investment Roadshow, offering investment opportunities in land in Mexico and ERC.

TRI-CORE MEXICO INVESTMENT

1
2 18. From at least February 2007 until at least April 2008, Tri-Core BD, Mogler, and
3 Buckley offered and sold promissory notes issued by Tri-Core Mexico in and from Arizona.

4 19. At all relevant times, offerees were provided a private placement memorandum
5 dated May 1, 2007 ("5/1/07 TCM PPM"). The 5/1/07 TCM PPM offered offerees promissory
6 notes for \$5,000.00 per note, with a total offering of \$3,500,000.00. The 5/1/07 TCM PPM
7 represented to offerees an 80% rate of return, compounded annually, with a maturity date for
8 payment of both interest and principal 24 months from the date of commencement of each note
9 ("Tri-Core Mexico Investment").

10 20. Investors were issued promissory notes containing the same terms with respect to
11 interest and maturity date, and subscription agreements signed by Mogler as Principal of Tri-Core
12 Mexico.

13 21. The 5/1/07 TCM PPM stated that "use of the proceeds is to purchase a water front
14 subdivision in San Luis Rio Colorado, Sonora, Mexico". This investment is known as the Tri-Core
15 Mexico "Lot 5" investment.

16 22. In the 5/1/07 TCM PPM, Mogler is identified as a general partner of Tri-Core
17 Mexico.

18 23. The 5/1/07 TCM PPM states that "[a]ll decisions with respect to the management of
19 the Company [Tri-Core Mexico] will be made exclusively by the Principal Managers of the LLC.
20 Note Holders do not have the right or power to take part in the management of the Company."

21 24. The 5/1/07 TCM PPM states that the success of the company is dependent upon the
22 services and expertise of existing management, including James L. Stevens ("Stevens"). The Tri-
23 Core Mexico Investment investor materials do not disclose that Stevens had outstanding tax liens
24 totaling at least approximately \$200,000.

25 25. The 5/1/07 TCM PPM instructed investors to make their investment check payable
26 to "Tri-Core Mexico Land Development, LLC" or "Tri-Core Business Development, LLC", while

1 the subscription agreement directed the checks be made payable to "Tri-Core Business
2 Development, LLC".

3 26. The 5/1/07 TCM PPM states that "[t]he Notes being offered by [Tri-Core Mexico]
4 in this Private Placement Offering are secured by the land Tri-Core Mexico Land Development,
5 LLC purchases. Tri-Core Business Development will establish an administration account which
6 will hold the deed to the property until all note holders will be paid in full."

7 27. The promissory notes issued to investors for the Tri-Core Mexico Investment stated
8 that the note was "secured by future land purchase."

9 28. Investors were not provided a deed of trust or other mechanism to securitize their
10 notes with any land in Mexico purchased by Tri-Core Mexico or Tri-Core BD.

11 29. Investor funds in the Tri-Core Mexico Investment were not used to purchase land in
12 Mexico.

13 30. Per the Operating Agreement for Tri-Core Mexico, Mogler was listed as a member,
14 as well as a general partner of Tri-Core Mexico.

15 31. Tri-Core Mexico retained Tri-Core BD to act as its agent in raising capital and
16 administer investor funds for the Tri-Core Mexico Investment.

17 32. The 5/1/07 TCM PPM states that offering expenses would not exceed \$350,000 for
18 the offering.

19 33. An Independent Contractor Agreement was executed between Tri-Core Mexico and
20 Tri-Core BD, with Stevens signing as managing member of Tri-Core Mexico, and Mogler signing
21 as President of Tri-Core BD. The Independent Contractor Agreement between Tri-Core Mexico
22 and Tri-Core BD required \$925,000 in compensation to Tri-Core BD from Tri-Core Mexico from
23 the investment proceeds.

24 34. The Tri-Core Mexico Investment was offered at presentations given by Buckley to
25 individuals with no pre-existing relationship with Tri-Core Mexico.

26

1 44. The 2/1/08 TCC PPM represented to offerees that Tri-Core was in the business of
2 construction management, land acquisition and development, specializing in beach front properties
3 along the coast of upper Sonora.

4 45. The business plan that accompanied the 2/1/08 TCC PPM represented to offerees
5 that the proceeds of the promissory notes would be used “to purchase a water front subdivision in
6 San Luis Rio Colorado, Sonora, Mexico”. The business plan references a “250-acre plus lot” of
7 beach front property in El Golfo de Santa Clara in Sonora, Mexico known as “Lot 5”, El Golfo
8 Beach Resort. (“Tri-Core February 2008 Investment”).

9 46. The subscription agreement for the Tri-Core February 2008 Investment instructed
10 offerees to send the subscription documents to Tri-Core at 8840 E. Chaparral Rd., #150, Scottsdale,
11 Arizona. The promissory notes provide the same address for Tri-Core.

12 47. The 2/1/08 TCC PPM states that, “All decisions with respect to the management of
13 the Company will be made by the Principal Managers of the LLC” and “Note Holders do not have
14 the right or power to take part in the management of the Company.” The 2/1/08 TCC PPM further
15 states, “Note Holders will not have any voting rights in the Company.”

16 48. At least one of the signatories for the subscription agreements and promissory notes
17 for the Tri-Core February 2008 Investment was Mogler as President of Tri-Core.

18 49. The 2/1/08 TCC PPM and promissory notes state that the promissory notes “are
19 secured in the land that Tri-Core Companies LLC purchases”, that Tri-Core will “establish an
20 administration account which will hold the deed to the property until all note holders will be paid in
21 full”, and “are secured by future land purchase.”

22 50. Tri-Core has not held any deeds to “Lot 5” in Mexico. Investors were not provided
23 a deed of trust or other mechanism to securitize their notes with any land in Mexico purchased by
24 Tri-Core.

1 to offerees a 60% annual rate of return, compounded annually, with a maturity date for payment of
2 both interest and principal 24 months from the date of commencement of each note.

3 61. Investors were issued promissory notes containing the same terms with respect to
4 interest and maturity date.

5 62. In the 3/1/08 TCC PPM, Tri-Core represented that it was in the business of
6 construction management, land acquisition and development, and specialized in beach front
7 properties along the coast of the upper Sonoran coastline in Sonora, Mexico.

8 63. The 3/1/08 TCC PPM stated that the proceeds of the promissory notes would be
9 used to purchase and develop a water front parcel in San Luis Rio Colorado, Sonora, Mexico. The
10 business plan submitted to offerees with the investment documents identified the parcel of land as
11 Lot 47 – Relaxante, 26.75 acres of beach front land in El Golfo (“Tri-Core March 2008
12 Investment”).

13 64. The subscription agreement for the Tri-Core March 2008 Investment instructed
14 offerees to send the subscription documents to Tri-Core at 8800 E. Chaparral Rd., #150, Scottsdale,
15 Arizona. The promissory notes issued provide the same address for Tri-Core.

16 65. The 3/1/08 TCC PPM for the Tri-Core March 2008 Investment provided that “All
17 decisions with respect to the management of the Company will be made by the Principal Managers
18 of the LLC” and “Note Holders do not have the right or power to take part in the management of
19 the Company.” The 3/1/08 TCC PPM further stated, “Note Holders will not have any voting rights
20 in the Company.”

21 66. The subscription agreements and promissory notes for the Tri-Core March 2008
22 Investment were signed by Mogler as President of Tri-Core.

23 67. The 3/1/08 TCC PPM and promissory notes state that the promissory notes “are
24 secured in the land that Tri-Core Companies LLC purchases” and “shall be senior debt of the
25 Maker and secured by the property”.

26

1 offerees a 40% annual rate of return, compounded annually, with a maturity date for payment of
2 both interest and principal 24 months from the date of commencement of each note.

3 78. Investors were issued promissory notes containing the same terms with respect to
4 interest and maturity date.

5 79. In the 6/1/10 TCC PPM, Tri-Core represented that it was in the business of
6 construction management, land acquisition and development, and specialized in properties across
7 the upper Sonoran coastline of Sonora, Mexico.

8 80. The 6/1/10 TCC PPM stated that the proceeds of the promissory notes would be
9 used to purchase and hold for appreciation parcels of land along the Sonoran Coast of Mexico
10 (“Tri-Core June 2010 Investment”).

11 81. Offerees were also provided with a subscription agreement and a business plan for
12 the Tri-Core June 2010 Investment.

13 82. The subscription agreement for the Tri-Core June 2010 Investment instructed
14 offerees to send the subscription documents to Tri-Core at 8800 E. Chaparral Rd., #270, Scottsdale,
15 Arizona. The promissory notes issued provide the same address for Tri-Core. .

16 83. The 6/1/10 TCC PPM for the Tri-Core June 2010 Investment provided, “All
17 decisions with respect to the management of the Company will be made by the Principal Managers
18 of the LLC” and “Note Holders do not have the right or power to take part in the management of
19 the Company.” The 6/1/10 TCC PPM further stated, “Note Holders will not have any voting rights
20 in the Company.”

21 84. The subscription agreements and promissory notes for the Tri-Core June 2010
22 Investment were signed by Mogler as President of Tri-Core.

23 85. Although the 6/1/10 TCC PPM and promissory notes stated that the promissory
24 notes “are” or “will be secured” by the “land Tri-Core Companies LLC purchases”, the land is not
25 identified.

1 “closed-loop” system recycling, specifically cardboard recycling at commercial properties. The
2 offering proceeds were to be used to purchase compactors/equipment. (“hereafter “ERC
3 Compactors Investment”).

4 96. The 8/8/11 ERC PPM provides that note holders have no rights in the management
5 of ERC Compactors, and that “[a]ll decisions with respect to the management of the Company
6 [ERC Compactors] will be made exclusively by the Managers of the LLC.”

7 97. The subscription agreements and promissory notes for the ERC Compactors
8 Investment were signed by Mogler as President of ERC Compactors.

9 98. The business plan provided to offerees for the ERC Compactors Investment
10 contained contact information for Buckley at AIC. The business plan provided the AIC’s website
11 and www.tricoreworld.com.

12 99. Although the 8/8/11 ERC PPM and promissory notes state that the promissory notes
13 “are” or “will be secured” by the “equipment/compactors purchased”, the equipment/compactors
14 that form the security is not identified. Investors were provided with no information in the 8/8/11
15 ERC PPM to determine if there was adequate security for their investment. ERC Compactors has
16 never provided investors any mechanism to securitize their notes with any collateral.

17 100. The ERC Compactors Investment was publicly advertised by AIC, by radio
18 broadcast, and by seminars sponsored by AIC and presented by Buckley.

19 101. The ERC Compactors Investment was sold to both Arizona residents and out of state
20 residents, with investments totaling over \$1,200,000.

21 102. The ERC Compactors Investment was offered and sold in or from Arizona to
22 investors totaling approximately \$880,000.

23 103. At all relevant times, the ERC Compactors Investment was not registered as a
24 security by the Commission.
25
26

C&D INVESTMENT

1
2 104. From at least November 2010 until October 2011, Tri-Core BD, Buckley,
3 Polanchek, and Kordosky offered and sold promissory notes issued by C&D in and from Arizona.

4 105. At all relevant times, offerees were provided a private placement memorandum
5 dated October 1, 2010 ("10/1/10 C&D PPM"). The 10/1/10 PPM offered offerees promissory notes
6 for \$25,000.00 per note, with a total offering of \$1,500,000.00. The 10/1/10 C&D PPM
7 represented to offerees a 24% annual rate of return, payable monthly, with a maturity date of 24
8 months from the date of commencement of each note.

9 106. Investors were issued promissory notes containing the same terms with respect to
10 interest and maturity date.

11 107. The 10/1/10 C&D PPM represented that C&D was an established corporation, "in
12 the business of rubbish and waste recycling".

13 108. The 10/1/10 C&D PPM represented that the proceeds of the promissory notes would
14 be used to "create the company structure for the purchase and start up requirements for a recycling
15 center located in Apex, Las Vegas, Nevada." ("C&D Investment").

16 109. The 10/1/10 C&D PPM and subscription agreements provided to offerees stated
17 that, "Tri-Core Business Development LLC is solely acting as the agent for C & D Construction
18 Services Inc. for this offering."

19 110. The 10/1/10 C&D PPM for the C&D Investment instructed offerees to make checks
20 payable to "TRI-CORE BUSINESS DEVELOPMENT LLC as agent for C & D Construction
21 Services Inc." and to send investment documents and the investment funds to "Tri-Core Business
22 Development LLC, c/o Arizona Investment Center, 8800 E. Chaparral Road, Suite 270, Scottsdale,
23 AZ 85250." The subscription agreements stated that the check was to be "made payable to the
24 order of TRI-CORE BUSINESS DEVELOPMENT LLC . . ."

25 111. The 10/1/10 C&D PPM for the C&D Investment provided that, "All decisions with
26 respect to the management of the Company will be made exclusively by the officers, directors and

1 employees of the Company. Note Holders do not have the right or power to take part in the
2 management of the Company and will not be represented on the Board of Directors of the
3 Company.” The 10/1/10 C&D PPM further states, “Note Holders will not have any voting rights in
4 the Company.”

5 112. The 10/1/10 C&D PPM stated that the promissory notes “are secured” by “real
6 estate in Nevada and California”. The promissory notes contained similar language. However, the
7 real estate that forms the security is not identified, nor is the owner. Further, the 10/1/10 C&D
8 PPM failed to provide offerees and/or investors with any information to determine if the “real
9 estate” adequately secured their investment.

10 113. The signatory for the subscription agreements and promissory notes for the C&D
11 Investment was Mogler with a limited power of attorney for Peter A. Salazar Jr.

12 114. The C&D Investment was publicly offered and sold via radio broadcast and/or
13 public seminar.

14 115. The C&D Investment was sold to both Arizona residents and out of state residents
15 with investments totaling nearly \$1,500,000.

16 116. The C&D Investment was offered and sold in or from Arizona to investors totaling
17 approximately \$715,000.

18 117. At all relevant times, the C&D Investment was not registered as a security by the
19 Commission.

20 **CONCLUSIONS OF LAW**

21 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
22 Arizona Constitution and the Securities Act.

23 2. Respondent Brian N. Buckley offered or sold securities within or from Arizona,
24 within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

25 3. Respondent Brian N. Buckley violated A.R.S. § 44-1841 by offering or selling
26 securities that were neither registered nor exempt from registration.

1 Investment may be sold by “registered brokers or dealers who are members of the
2 NASD and who enter into a Participating Dealer Agreement with the Company”, and
3 “qualified licensed personnel, pursuant to State and Federal security rules and
4 regulations”, and that those individuals could receive commissions “up to” 10% of the
5 price of the notes sold, when the Tri-Core February 2008 Investment was sold by
6 individuals and entities that did not meet these criteria.

7 **Fraud Related to Tri-Core March 2008 Investment**

8 g) Representing that investor’s investments would be secured by property in
9 Mexico, but failing to provide investors with a deed of trust or other mechanism to
10 securitize their notes;

11 h) Representing in the 3/1/08 TCC PPM that the Tri-Core March 2008 Investment
12 may be sold by “registered brokers or dealers who are members of the NASD and who
13 enter into a Participating Dealer Agreement with the Company”, and “qualified
14 licensed personnel, pursuant to State and Federal security rules and regulations”, and
15 that those individuals could receive commissions “up to” 10% of the price of the notes
16 sold, when the Tri-Core March 2008 Investment was sold by individuals and entities
17 that did not meet these criteria;

18 **Fraud Related to Tri-Core June 2010 Investment**

19 i) Representing that the investor’s investments would be secured by property in
20 Mexico, but failing to provide investors with a deed of trust or other mechanism to
21 securitize their notes;

22 **Fraud Related to ERC Compactors Investment**

23 j) Representing that the investor’s investments would be secured by the
24 “equipment/compactors purchased”, but failing to provide investors with a mechanism
25 to securitize their notes;

26 k) Failing to disclose the specific collateral that would form the basis for the

1 security of investor notes, or to determine if there was adequate security for their
2 investments;

3 **Fraud Related to C&D Investment**

4 l) Representing that the investor's investments "are secured" by "real estate in
5 Nevada and California", but failing to identify the real estate, or provide offerees
6 and/or investors with any information determine if the "real estate" adequately secured
7 their investment.

8 6. Respondent Buckley's conduct is grounds for a cease and desist order pursuant to
9 A.R.S. § 44-2032.

10 7. Respondent Buckley's conduct is grounds for an order of restitution pursuant to
11 A.R.S. § 44-2032.

12 8. Respondent Buckley's conduct is grounds for administrative penalties under A.R.S.
13 § 44-2036.

14 9. Respondent Buckley acted for the benefit of his marital community and, pursuant to
15 A.R.S. §§ 25-214 and 25-215, this Order of restitution and administrative penalties is a debt of the
16 community.

17 **III.**

18 **ORDER**

19 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents'
20 consent to the entry of this Order, attached and incorporated by reference, the Commission finds
21 that the following relief is appropriate, in the public interest, and necessary for the protection of
22 investors:

23 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent Brian N. Buckley, and
24 any of Respondents Brian N. Buckley's agents, employees, successors and assigns, permanently
25 cease and desist from violating the Securities Act.
26

1 IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry
2 of Order.

3 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent Brian N.
4 Buckley, individually, the marital community of Respondent Brian N. Buckley and his wife, Cheryl
5 Barrett Buckley, and all Respondents against whom orders are or have been entered under Docket
6 No. S-20867A-12-0459, jointly and severally, shall pay restitution to the Commission in the
7 principal amount of \$160,000.00. Payment is due in full on the date of this Order. Payment shall
8 be made to the "State of Arizona" to be placed in an interest-bearing account controlled by the
9 Commission. Any principal amount outstanding shall accrue interest at a rate pursuant to A.R.S. §
10 44-1201, from the date of Order until paid in full.

11 The Commission shall disburse the funds on a pro-rata basis to investors shown on the
12 records of the Commission. Any restitution funds that the Commission cannot disburse because an
13 investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an
14 investor because the investor is deceased and the Commission cannot reasonably identify and
15 locate the deceased investor's spouse or natural children surviving at the time of the distribution,
16 shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the
17 Commission. Any funds that the Commission determines it is unable to or cannot feasibly disburse
18 shall be transferred to the general fund of the state of Arizona.

19 The Commission shall disburse the funds on a pro-rata basis to investors shown on the
20 records of the Commission. Any restitution funds that the Commission cannot disburse because an
21 investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an
22 investor because the investor is deceased and the Commission cannot reasonably identify and
23 locate the deceased investor's spouse or natural children surviving at the time of the distribution,
24 shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the
25 Commission. Any funds that the Commission determines it is unable to or cannot feasibly disburse
26 shall be transferred to the general fund of the state of Arizona.

1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent Brian N.
2 Buckley, individually, and the marital community of Respondent Brian N. Buckley and his wife,
3 Cheryl Barrett Buckley, jointly and severally, pay an administrative penalty in the amount of
4 \$15,000.00. Payment is due in full on the date of this Order. Payment shall be made to the "State
5 of Arizona." Any amount outstanding shall accrue interest as allowed by law.

6 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
7 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
8 shall be applied to the penalty obligation.

9 For purposes of this Order, a bankruptcy filing by any of the Respondents shall be an act of
10 default. If any Respondent does not comply with this Order, any outstanding balance may be
11 deemed in default and shall be immediately due and payable.

12 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the
13 Commission may bring further legal proceedings against that Respondent, including application to
14 the superior court for an order of contempt.

15 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this
16 Order shall be deemed binding against any Respondent under this Docket Number who has not
17 consented to the entry of this Order.

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IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN		COMMISSIONER
COMMISSIONER	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of October, 2013.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Shaylin A. Bernal, ADA Coordinator, voice phone number 602-542-3931, e-mail sabernal@azcc.gov.

(SLL)

CONSENT TO ENTRY OF ORDER

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1. Respondents Brian N. Buckley and Cheryl Barrett Buckley (“Respondent Spouse”) admit the jurisdiction of the Commission over the subject matter of this proceeding. Respondents Brian N. Buckley and Cheryl Barrett Buckley acknowledge that they have been fully advised of Respondents’ right to a hearing to present evidence and call witnesses and Respondents Brian N. Buckley and Cheryl Barrett Buckley knowingly and voluntarily waive any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondents Brian N. Buckley and Cheryl Barrett Buckley acknowledge that this Order To Cease And Desist, For Restitution, For Administrative Penalties and Consent to the Same By: Respondent Brian N. Buckley and Cheryl Barrett Buckley (“Order”) constitutes a valid final order of the Commission.

2. Respondents Brian N. Buckley and Cheryl Barrett Buckley knowingly and voluntarily waive any right under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

3. Respondents Brian N. Buckley and Cheryl Barrett Buckley acknowledge and agree that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. Respondents Brian N. Buckley and Cheryl Barrett Buckley acknowledge that Respondents have been represented by an attorney in this matter, Respondents have reviewed this Order with Respondents’ attorney, Mark Heath, and understand all terms it contains. Respondents Brian N. Buckley and Cheryl Barrett Buckley acknowledge that their attorney has apprised them of their rights regarding any conflicts of interest arising from dual representation. Respondents Brian N. Buckley and Cheryl Barrett Buckley acknowledge that they have each given their informed consent to such representation.

5. Respondents Brian N. Buckley and Cheryl Barrett Buckley neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order. Respondents Brian N.

1 Buckley and Cheryl Barrett Buckley agree that Respondents shall not contest the validity of the
2 Findings of Fact and Conclusions of Law contained in this Order in any present or future
3 proceeding in which the Commission or any other state agency is a party concerning the denial or
4 issuance of any license or registration required by the state to engage in the practice of any business
5 or profession.

6 6. By consenting to the entry of this Order, Respondents Brian N. Buckley and Cheryl
7 Barrett Buckley agree not to take any action or to make, or permit to be made, any public statement
8 denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating
9 the impression that this Order is without factual basis. Respondents Brian N. Buckley and Cheryl
10 Barrett Buckley will undertake steps necessary to assure that all of Respondents' agents and
11 employees understand and comply with this agreement.

12 7. While this Order settles this administrative matter between Respondents Brian N.
13 Buckley and Cheryl Barrett Buckley and the Commission, Respondents Brian N. Buckley and
14 Cheryl Barrett Buckley understand that this Order does not preclude the Commission from
15 instituting other administrative or civil proceedings based on violations that are not addressed by
16 this Order.

17 8. Respondents Brian N. Buckley and Cheryl Barrett Buckley understand that this
18 Order does not preclude the Commission from referring this matter to any governmental agency for
19 administrative, civil, or criminal proceedings that may be related to the matters addressed by this
20 Order.

21 9. Respondents Brian N. Buckley and Cheryl Barrett Buckley understand that this
22 Order does not preclude any other agency or officer of the state of Arizona or its subdivisions from
23 instituting administrative, civil, or criminal proceedings that may be related to matters addressed by
24 this Order.

25 10. Respondents agree that Respondent Brian N. Buckley will not apply to the state of
26 Arizona for registration as a securities dealer or salesman or for licensure as an investment adviser

1 or investment adviser representative until such time as all restitution and penalties under this Order
2 are paid in full.

3 11. Respondents agree that Respondent Brian N. Buckley will not exercise any control
4 over any entity that offers or sells securities or provides investment advisory services within or
5 from Arizona until such time as all restitution and penalties under this Order are paid in full.

6 12. Respondents Brian N. Buckley and Cheryl Barrett Buckley agree that Respondents
7 will continue to cooperate with the Securities Division including, but not limited to, providing
8 complete and accurate testimony at any hearing in this matter and cooperating with the state of
9 Arizona in any related investigation or any other matters arising from the activities described in this
10 Order.

11 13. Respondents Brian N. Buckley and Cheryl Barrett Buckley acknowledge that any
12 restitution or penalties imposed by this Order are obligations of Respondent Brian N. Buckley as
13 well as the marital community.

14 14. Respondents Brian N. Buckley and Cheryl Barrett Buckley consent to the entry of
15 this Order and agree to be fully bound by its terms and conditions.

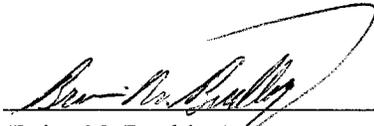
16 15. Respondents Brian N. Buckley and Cheryl Barrett Buckley acknowledge and
17 understand that if Respondents fail to comply with the provisions of the order and this consent, the
18 Commission may bring further legal proceedings against Respondents, including application to the
19 superior court for an order of contempt.

20 16. Respondents Brian N. Buckley and Cheryl Barrett Buckley understand that default
21 shall render Respondents liable to the Commission for its costs of collection and interest at the
22 maximum legal rate.

23 17. Respondents Brian N. Buckley and Cheryl Barrett Buckley agree and understand
24 that if Respondents fail to make any payment as required in the Order, any outstanding balance
25 shall be in default and shall be immediately due and payable without notice or demand.

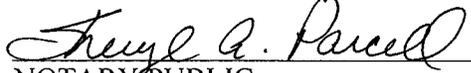
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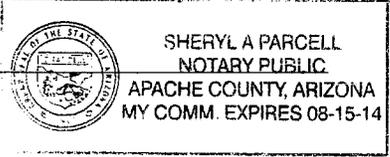
1 Respondents agree and understand that acceptance of any partial or late payment by the
2 Commission is not a waiver of default by the Commission.

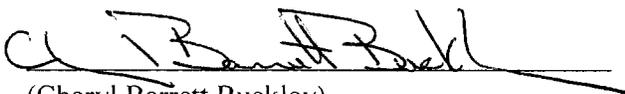
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5 (Brian N. Buckley)

6 STATE OF ARIZONA)
7 County of Maricopa) ss

8 SUBSCRIBED AND SWORN TO BEFORE me this 25th day of September, 2013.

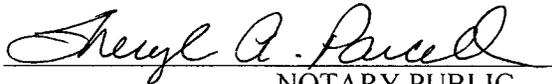
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10 NOTARY PUBLIC

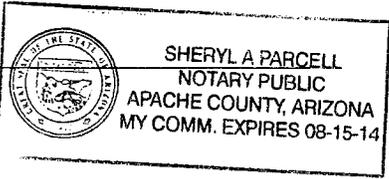
11 My commission expires:
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14 
15 (Cheryl Barrett Buckley)

16 STATE OF ARIZONA)
17 County of Maricopa) ss

18 SUBSCRIBED AND SWORN TO BEFORE me this 25th day of September, 2013.

19 
20 NOTARY PUBLIC

21 My commission expires:
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SERVICE LIST FOR: MOGLER, JASON, ET AL

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Dale B. Rycraft Jr., Esq.
THE RYCRAFT LAW FIRM, PLLC
2929 N. Power Rd., Suite 101
Mesa, Arizona 85215
Attorney for C&D Construction

Jeremy Geigle, Esq.
Mark Heath, Esq.
Jackson White, PC
40 N. Central, Ste 200
Mesa, Arizona 85201
Attorney for Brian & Cheryl Buckley

Bobby Thrasher, Jr.
530 E. McDowell Rd., Ste 107-495
Phoenix, Arizona 85004
*Attorney for Mogler, Tri-Core Companies, Tri-Core Business Dev.,
ERC Compactors, ERC Investments*

Nicole Kordosky
1075 N Miller Rd #149
Scottsdale, Arizona 85257
Respondent

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

In the matter of:

DOCKET NO. S-20867A-12-0459

TRI-CORE COMPANIES, LLC, an Arizona limited liability company,

NOTICE OF FILING OF PROPOSED OPEN MEETING AGENDA ITEM

TRI-CORE MEXICO LAND DEVELOPMENT, LLC, an Arizona limited liability company,

TRI-CORE BUSINESS DEVELOPMENT, LLC, an Arizona limited liability company,

ERC COMPACTORS, LLC, an Arizona limited liability company,

ERC INVESTMENTS, LLC, an Arizona limited liability company,

C&D CONSTRUCTION SERVICES, INC., a Nevada corporation;

PANGAEA INVESTMENT GROUP, LLC, an Arizona limited liability company, d/b/a Arizona Investment Center,

JASON TODD MOGLER, an Arizona resident,

BRIAN N. BUCKLEY and CHERYL BARRETT BUCKLEY, husband and wife,

CASIMER POLANCHEK, an Arizona resident,

NICOLE KORDOSKY, an Arizona resident,

Respondents.

Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached: Order to Cease and Desist, for Restitution, for Administrative Penalties and Consent to Same By: Respondent Brian N. Buckley and Respondent Cheryl Barrett Buckley was filed with the Arizona Corporation Commission's Docket Control.

Dated: 10/2/13 By: Stacy L. Luedtke, Staff Attorney

I hereby certify that I have this day served the foregoing document on all parties of record in this proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

Dale B. Rycraft Jr., Esq.
THE RYCRAFT LAW FIRM, PLLC
2929 N. Power Rd., Suite 101
Mesa, Arizona 85215
Attorney for C&D Construction

Jeremy Geigle, Esq.
Mark Heath, Esq.
Jackson White, PC
40 N. Central, Ste 200
Mesa, Arizona 85201
Attorney for Brian & Cheryl Buckley

Bobby Thrasher, Jr.
530 E. McDowell Rd., Ste 107-495
Phoenix, Arizona 85004
Attorney for Mogler, Tri-Core Companies, Tri-Core Business Dev.,
ERC Compactors, ERC Investments

Nicole Kordosky
1075 N Miller Rd #149
Scottsdale AZ 85257
Respondent

Dated: 10/2/13 By: Emie R. Bridges, Executive Assistant